(b) if so, the details thereof; and

(c) whether the Ministry is planning to review this status specially in the context of growing foreign holding in the bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) (a) to (c) In exercise of the powers conferred by Section 53 of the Banking Regulation Act, 1949 (10 of 1949), the Government of India on the recommendations of the Reserve Bank of India, have exempted ICICI Bank Ltd. from the provisions of sub clause (ii) of sub section (1) of Section 12 of the Act, for a period of five years. This exemption would enable the bank to continue to hold preference shares issued by erstwhile ICICI Ltd. on its books, which is not otherwise possible under the provisions of Banking Regulation Act, 1949.

Compromise settlement of NPAs

1252. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government have now allowed the banks to enter into a compromise settlement of NPAs to the extent of Rs. 10 crores;

(b) if so, the details thereof;

(c) the amount that has been realised through one-time settlement scheme that was introduced by Government since its inception, year-wise;

(d) whether any new guidelines have been issued for the new scheme; and

(e) if so, the details of guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (b) (d) and (e) The Government have recently brought in a new legislation *viz.* "The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002". With the enactment of the said Act, it was felt that one more opportunity may be given to the borrowers to come forward for settlement of their outstanding dues.

Therefore, Reserve Bank of India (RBI) have issued a fresh one-time settlement scheme on 29th January, 2003 for compromise settlement of chronic non-performing assets (NPAs) upto Rs. 10 crore. The cut-off date for such NPA accounts is 31st March 2003. The last date for receipt of applications is 30th April 2003 and processing of such applications is required to be completed by 31st October, 2003. These guidelines will not cover cases of wilful default, fraud and malfeasance.

(c) RBI had, in July, 2000, issued guidelines on compromise settlements of NPAs upto Rs. 5 crores, by public sector banks. This scheme was in operation upto 30th June, 2001. This scheme resulted in settlement of 8.87 lacs NPA accounts involving Rs. 4,649 crores.

Effect of Indo-Pak relations on the economy

1253. SHRI SANTOSH BAGRODIA:
SHRI JANARDHANA POOJARY:

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what has been the effect of the strained relations between India and Pakistan on the Indian economy;

(b) whether the import-export between India and Pakistan decreased due to the same; and

(c) what steps Government propose to take to ensure that the trade does not suffer between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) The fundamentals of the Indian economy, in terms of sustained growth in industry and services, low price levels, comfortable food stocks, rising exports, high foreign exchange reserves, and a healthy balance of payments, have remained strong despite the strained relations between India and Pakistan.

(b) India's trade balance with Pakistan was higher at Rs. 493.06 crore in April-October 2002 compared with Rs. 287.87 crore in April-October, 2001. During this period, Indian export to Pakistan were higher at Rs. 593.92 crore compared with Rs. 478.92 crore in the corresponding previous period. However, Indian imports from Pakistan during